

Duplication of Benefits

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Disaster Recovery Program



CDBG Program Overview

❖ Purpose of CDBG Disaster Recovery Program

- ❖ The primary purpose of this program is to provide relief for those people impacted by the disaster while addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act.
- ❖ It is not intended to make the person whole, but supplement other assistance.



Duplication of Benefits - Definition

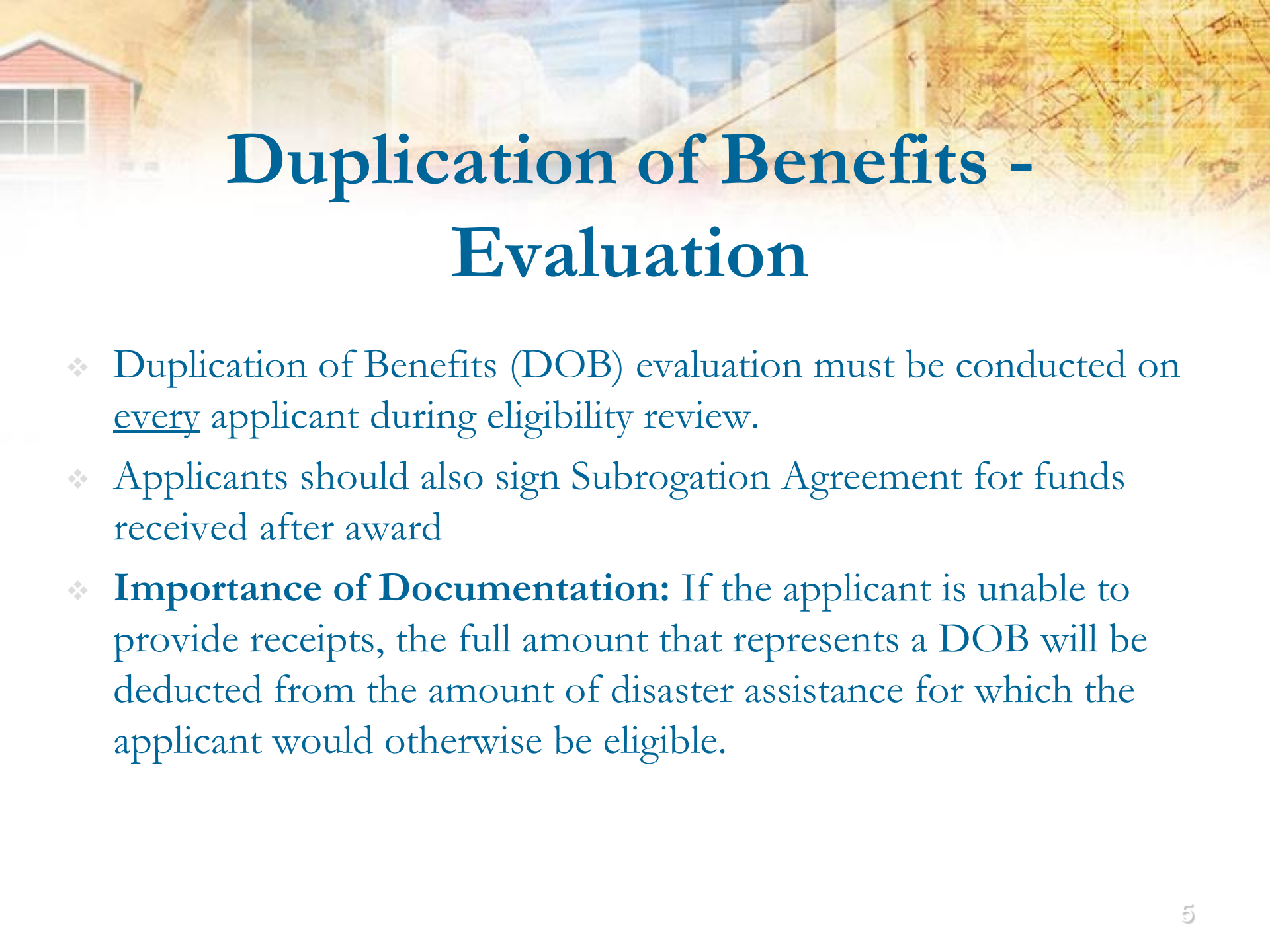
- ❖ CDBG cannot Duplicate Benefits received from other sources to address the same needs.
- ❖ DOB impacts all parts of CDBG funding
- ❖ **The Robert T. Stafford Act** (42 U.S.C. 5155 (a) – Prohibits any person, business concern, or other entity from receiving CDBG Disaster Recovery funding “to the extent such assistance duplicates benefits available to the person for the same purpose from another source”.



Individual/Public Assistance

- ❖ The order of Financial Assistance **normally** flows in this order post-disaster:
- ❖ SBA Loan*
- ❖ FEMA Individual Assistance*
- ❖ Insurance Settlements – May take an extended amount of time.
- ❖ CDBG Assistance* (Also Requires Congressional Appropriation and HUD Allocation)

* Requires Presidential Emergency Declaration



Duplication of Benefits - Evaluation

- ❖ Duplication of Benefits (DOB) evaluation must be conducted on every applicant during eligibility review.
- ❖ Applicants should also sign Subrogation Agreement for funds received after award
- ❖ **Importance of Documentation:** If the applicant is unable to provide receipts, the full amount that represents a DOB will be deducted from the amount of disaster assistance for which the applicant would otherwise be eligible.



Updated DOB Guidance from HUD

- ❖ Additional flexibility to DOB since Round 1
- ❖ Reduce/Eliminate gap amounts through a lesser award
- ❖ Housing plan alternates may include type of material, square footage, and occupancy size
- ❖ Documentation must be provided



Updated DOB Guidance Example

\$100,000	Post Disaster need
\$ 5,000	FEMA already received
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\$ 95,000	Housing Benefit

- ❖ \$95,000 worth of home rehab/reconstruct remaining as long as Housing Quality Standards are met
- ❖ Inhabitants must be left with safe and sanitary home

Duplication of Benefits – Examples

APPLICANT 1

Receipts/Assistance Type and Amount:

FEMA	\$5200 home repair
Insurance	-0-
SBA	<u>-0-</u>
Total	\$5200

Expenditures (*Receipts provided*):

Roof	\$1500
Tree removal	\$ 3000
Electrical	<u>\$1500</u>
Total	\$6000

Eligible Award Detail:

Bid	\$65,000
Net loss	<u>-0-</u>
Award	\$65,000

APPLICANT 2

Receipts/Assistance Type and Amount:

FEMA	\$5200 home repair
Insurance	-0-
SBA	<u>-0-</u>
Total	\$5200

Expenditures (*Receipts provided*):

Roof	\$1500
Electrical	1500
Debris	<u>500</u>
Total	\$3500

Eligible Award Detail:

Bid	\$65,000
Less net gain	<u>1,700 (Amount Owed to Program)</u>
Award	\$63,300



Things to remember

- ❖ Is NOT part of eligibility
- ❖ All applicants must have a DOB worksheet
- ❖ Be flexible where possible - we can help

Thank You – Q & A



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